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FISCAL IMPACT STATEMENT

LS 6393

BILL NUMBER: SB 117

NOTE PREPARED: Mar 27, 2003

BILL AMENDED: Mar 27, 2003

SUBJECT: Eligibility for SSACI programs.

FIRST AUTHOR: Sen. Rogers

FIRST SPONSOR: Rep. Porter

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill provides that if a dependent student has resided with a caretaker relative other than the student's parent for at least 4 years, the student's eligibility to participate in financial aid programs administered by the state student assistance commission is determined according to the residence of the caretaker relative. It requires the income of the student's legal parent to be considered in making eligibility determinations.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) SSACI has denied few applications because a dependent's parents are not residing in Indiana, but the student is residing with a caretaker relative. The number denied in the past is probably less than ten. The average award for FY 2004 is estimated to be \$2,481, so the bill would probably have minor fiscal impact. If the changes in eligibility did affect the number of applications dramatically, then SSACI would have to either reduce the average grant or limit the number of approved applications so the distribution did not exceed the appropriation.

Background: The bill defines caretaker relative as a relative by blood or law who lives with a minor and exercises parental responsibility, care, and control over the minor in the absence of the minor's parent. Caretaker relative is defined in IC 12-17-7-1-2 as a blood relative and those of half blood. The term includes an adoptive parent, a grandparent, a sibling, and a relative of an adoptive parent. The term also includes a spouse of an individual described above even after the marriage is terminated by death or dissolution. A study conducted by the Urban Institute in 2000 estimated that approximately 3% of the children in the United States were in some type of kinship care arrangement in 1998.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Student Assistance Commission.

Local Agencies Affected:

Information Sources: State Student Assistance Commission Budget Request for FY 2004 Schedule V.

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